

May 29, 2014 Gas Drilling Review Committee Meeting Notes



GAS DRILLING REVIEW COMMITTEE MINUTES

May 29, 2014

3:00 p.m.

Council Chambers- City Hall

1000 Throckmorton Street

1. Introduction to City Staff

Rick Trice, Planning and Development, Chair	Present
Eric Fladager, Planning and Development	Present
Jerry Simons, TPW	Present
John Lopez, Water	Present
Becki Begley, Planning and Development	Present
Christa Reynolds, Legal	Present
Cornell Gordon, PACS	Absent
Sheila Hill, Park Board Member	Absent

2. Overview of GDRC Agenda. Full Transcription of recorded meeting is below:

1. Quicksilver Resources – Alliance TMS A (Transportation Route)

Kelly Sanders with Quicksilver Resources, 801 Cherry Street; this is a continuation of the two previous transportation routes we have with the first one being the TMS B pad and the second one being the TMS C. This route is going to be going to the TMS A which is on the far northwest side of the Texas Motor Speed Way. We will be driving down I-35, exiting on Dale Earnhardt, driving and heading north then we will be taking a left going west and driving down Dale Earnhardt to Victory Circle and all the way down to the TMS A pad which is at the corner of Flock and Victory Circle. That's about it.

Rick Trice – Pretty straight forward, any comments/questions? I think your route is approved.

Kelly – Thank you.

Citizen Comments

No citizens appeared on this item.

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2. XTO Energy – Powell and Cozart Sites (Transportation Routes)

I am Bob Manthie with XTO Energy and this is the one down to the main battery pad that we have for these wells. The transportation route before you was kind of a future plan, the development where we enter location there on Waterfall Springs, isn't set up for a curb cut because at some point Old Denton Road is going to be a boulevard and there not a curb cut there. So right now it is just a one lane and so we have access to that, but in the future when it is built up and constructed as a boulevard, if there is not a curb cut to allow traffic from both sides to enter in that area, then we are going to have to come in off the other end and come up one way and exist the same way out, we won't be able to do a turn around. Future planning for the future when that does get built if the curb cut is not an option and our route is approved so that we don't have to come back.

Rick Trice – So this plan would not kick in until the boulevard is built, that is when the alternative would kick in?

Bob – Yes.

Rick – So you would continue to use the route off of 170?

Bob – Right here where it is constructed new and we have the route to come down to the site, if that does not have a median cut there where we can cross the median, then we will have to come in this way then go out that way; we can't make that u turn there with the trucks.

Rick – It probably would be preferable, right turn in and right turn out.

Bob – This particular site we drilled three wells and we believe that may be the last time we will go in there to drill. The main transportation now will be flow back work so in the future I don't see any time soon we will go back and drill, however there still is the potential that in a few years from now, a couple years, we might go back in to refrac. That is a possibility so you would have that larger truck pulling in, but as far as drilling goes, I think we are probably through.

Rick – Any questions on that particular one.

Jerry Simons – So your permanent, once Riverside is built, would be cutting through Sawtimber and going through that next addition?

Rick – The Powell-Cozart is the one that goes through Waterfall Springs. The other one is a little complicated.

Bob – Goes down Waterfall Springs straight into the location. The one you are talking about is for a different location.

Jerry – So right in right out.

Bob – Yes, right in right out.

Rick – That's if they don't have a median cut.

Bob – If the boulevard is built and there is a median cut then the transportation route can stay the way it is.

Jerry – So the preferred route is A?

Rick – No, that is the next case. That is to get to this site which is shown on the slide right now.

Jerry – Ok.

Rick – Now we will get into the confusing one.

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Bob – This is for our Powell-Cozart Unit for our 3H well. The 3H well sits right here, this particular site is just the well bore itself it doesn't have any tanks or separators. The pipeline comes down and the fluids from the gas are collected and measured here so the only activity we would have at that site other than the pickup traffic would be an occasional work over; we just added a work over to work on the well. And that is the first time we have had any equipment on the site since it was drilled. This route would be used very occasionally there wouldn't be any water trucks in and out of there to this site, it would be just if we need to work on the well. Two possible routes, this was the existing route before the developer came in and developed this section here. Our access road was taken out by the development and we can access it this way through Route A, it involves a lot more turns and in the future when that particular piece is built up, you will have more impact from the homes with the cars. The easiest way in and out would be to come down Sawtimber and in, that is the least number of turns and the less issue we would have with cars parked on the roads. But like I said, the event of us going in there and working will be very limited and very infrequent.

Rick – What is that open space to the north proposed – north of your site?

Bob – The open space is the setback, 200 foot – 300 foot area setback for the developer so it will just be a green space. Also if you look these lots here are platted, but because of the 200 foot setback, it was not a grandfathered development those lots can't be built on until we plug that well because it is within 200 feet. So, actually if you look at the aerial, this is open, this is going to be open, and these three lots are going to be open; three to four lots will be open. So basically you have four homes here on this corner and these will be open and then three to four homes here on that side.

Rick – So that developer really couldn't dedicate that as park land because it's too close to the setback to the north. So it could be just open space; private park.

Bob – Basically what it is when the well gets plugged then he will come and build on the lots. It is kind of like the same situation you had here with the Eagleridge well; a well was drilled right there that they actually plugged and then those four lots became available to the developer to build on and he built on them and they are sold and occupied. We actually have an employee who lives in that home right there.

Rick – That's good, let's go that way.

Bob – I have real close connection to the neighborhood; what's going on and what the issues are.

Rick – What are you recommending, either?

Bob – As far as maneuvering the equipment in and out, the easiest route would be down Sawtimber. However, we can utilize this other route too.

Tom – Is there a median cut out there already?

Jerry – It is just an existing road that doesn't have a median curb.

Bob – If we don't use in the future like you are asking Tom, I would say if this doesn't become a median cut then on this route would have the same ingress and egress issues that the other site does, so in the future it would be down the other. Come in on Riverside, right in right out, the same as the other one would be. Didn't think about that at the time I drew the route, but that is an issue in the future if that doesn't have a curb cut right there. If we do access Sawtimber there is access to cross the median there so we can come in from the north and exit back out to the north.

Rick – My only concern is that open space, if it were to ever become some sort of neighborhood playground for kids then I would prefer this other route B, but that is just my opinion.

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Bob - I would suspect the developer at the time the wells are plugged would plat those lots. It's platted open right now, but I suspect in the future he may come back and add those lots to the plat and build those homes. We haven't had that conversation with him though.

Rick – What did you say the plans were for this site? You are not going to drill on this site again?

Bob – This particular site, we only have room for one more, wellbore, in there that we think would be economical and with the price that it is now, we decided not to drill it. There is only one potential long term future prospect for drilling and if we did drill, we would come back and drill from this location over here and not this site. I don't anticipate ever having to come to this site again to drill as far as we have operations on it; it could be a candidate for a refract though.

Rick – They are producing so you wouldn't have plug and abandoned on the horizon anytime soon?

Bob – Not for that one we don't. It still is a good and very productive well, so actually the rights on this well and the rights on this well, is the reason why we drilled the three wells; they are still very productive and very economical to produce. That one has been producing since 2004 so it has been in operation for 10 years and I would suspect that it probably would produce for another five or more unless something happens.

Rick – Any thoughts from the Committee?

Jerry – I prefer route A. You are not going to be bringing big trucks so those turns wouldn't really be a factor.

Bob – Well the unit that we would bring in to work on the well is a pulling unit which is the size, frame wise, as a truck. The issue with it is it doesn't turn in the middle like a tractor trailer does. It's a solid frame one piece and has an axle in the front end that turns. So it can't manoeuvre as easily as an 18-wheeler can as a regular truck.

Jerry – So you need this truck to move stored material from this site.

Bob – What we call a work over unit would be a full unit about the same length as a water truck. That is what we would need maybe in the future to do work on it if needed. We just had work done on that particular unit and with it we had associated trucks to bring in the equipment. It's not very frequent, but I don't expect to have another one in there for a while. Could be one year, two years or ten years like it was between this time. When we do need to get in there to work on it, it will be the bigger trucks like the water trucks.

Jerry – Have we had any comments from the public on this route?

Rick – I have not received any.

Tom – We haven't receive any, right Cecilia?

Cecilia – Right.

Rick – I would say either is okay. If that ends up being a neighborhood playground and we start getting complaints, then we will restrict it to this other route. I think either route in my opinion is okay.

Jerry – I just scaled it off with my knuckle and it's likely that Waterfall will have a median opening and just for the sake of not going through that existing addition, I would prefer the A route.

Bob – Okay.

Rick – I am fine with that if we as a Committee want to say use A route (northern route) and if we start getting complaints we will reconsider.

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Bob – I put this route in just in case because this neighborhood has been established and they haven't had to deal with any traffic yet. This neighborhood is going to be built with the sides and access route coming in, so access will be there for when they move in and hopefully they will be aware.

Rick – And you are already using Waterfall Springs anyways.

Bob – If it does become an issue with making the turns, then we can revisit the routes. If there is a median cut there, it should work fine. We will be able to come in and out in the same direction.

Rick – Consensus is the Northern Route then? We will revisit if there is an issue.

Bob – Route A?

Rick – Yes.

Jerry – I would like to have a discussion on a related matter. Our Parks and Rec people are not represented here, but they brought up a concern about these temporary accesses that we have through undeveloped land. Getting a transportation route permit and then a few months later the developer decides to open up another section and then they come back with another route. I forget the rest of it, but I think that he thought it was unnecessary, but can you support why you can't incorporate a temporary access into the ultimate plan of the subdivision?

Bob – Yes sir, we originally had this issue in an area of our Hayco E, D, and B pad. When they preliminary platted and did their concept plan back in the earlier years probably 04 or previous 08, they kind of had a phase 1, phase 2, phase 3, phase 4, and the well pads were put in about that time, not knowing when the developer was going to come in and provide the infrastructure and do that development and if it was going to remain the same we didn't know where our routes would be. In that particular case, the original route came off of Huffiness Boulevard and when the boulevard got redone that access got taken out so we had to find another access in. The land owner who owned the land at the time was not developed. Since then he sold it for development and the new developer has come in and his plan is to develop this section first. And so depending on what section he decides to develop first, determines the impact to our existing access that we have so the problem we have is that we don't know what his long term plans are and I don't think he does either based on what the economy and what the build out is going to look like. So, things change as the city grows and progresses.

Rick – If you had a concept plan or preliminary plat, if you knew, you would try, but you don't.

Bob – We would plan it out a little bit better. In this particular case, this piece of land has been vacant for a long time. These wells were actually drilled in the county and the City annexed in and then this area was subdivided and this area was subdivided and now finally this over a period of ten years. As the city grows and changes, we try our best to stay up with it and mitigate the issue. If the developer had a plan, knew what it was going to be and the change then we could look at it through future developments and say this is what it is today, this is what it will be when this happens, and this is what it will be if this happens. But, that also changes with developers over time and this has been a process over ten years for this to be developed. It's a problem we run into with managing surface with multiple uses.

Jerry – Ok, thanks.

Rick – Is that it? Alright, Bob thanks.

Bob – Thank you.

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Citizen Comments

No citizens appeared on either item.

3. Enervest Operating, LLC – Chapel Creek III (Transportation Route)

My name is Melissa McBroom, I am with Enervest Operating. We are proposing a transportation route for our existing Chapel Creek #5H pad site and we are going to be drilling four new wells. The transportation route will be from I-20 going north FM3325 which is also Farmer Road, and then you will travel east on Old Weatherford Road approximately five miles and the entrance is on the north side of the road and it is just before Chapel Creek Boulevard.

Rick – Does this Committee have any questions? I think that is the least impact able route. Thank you.

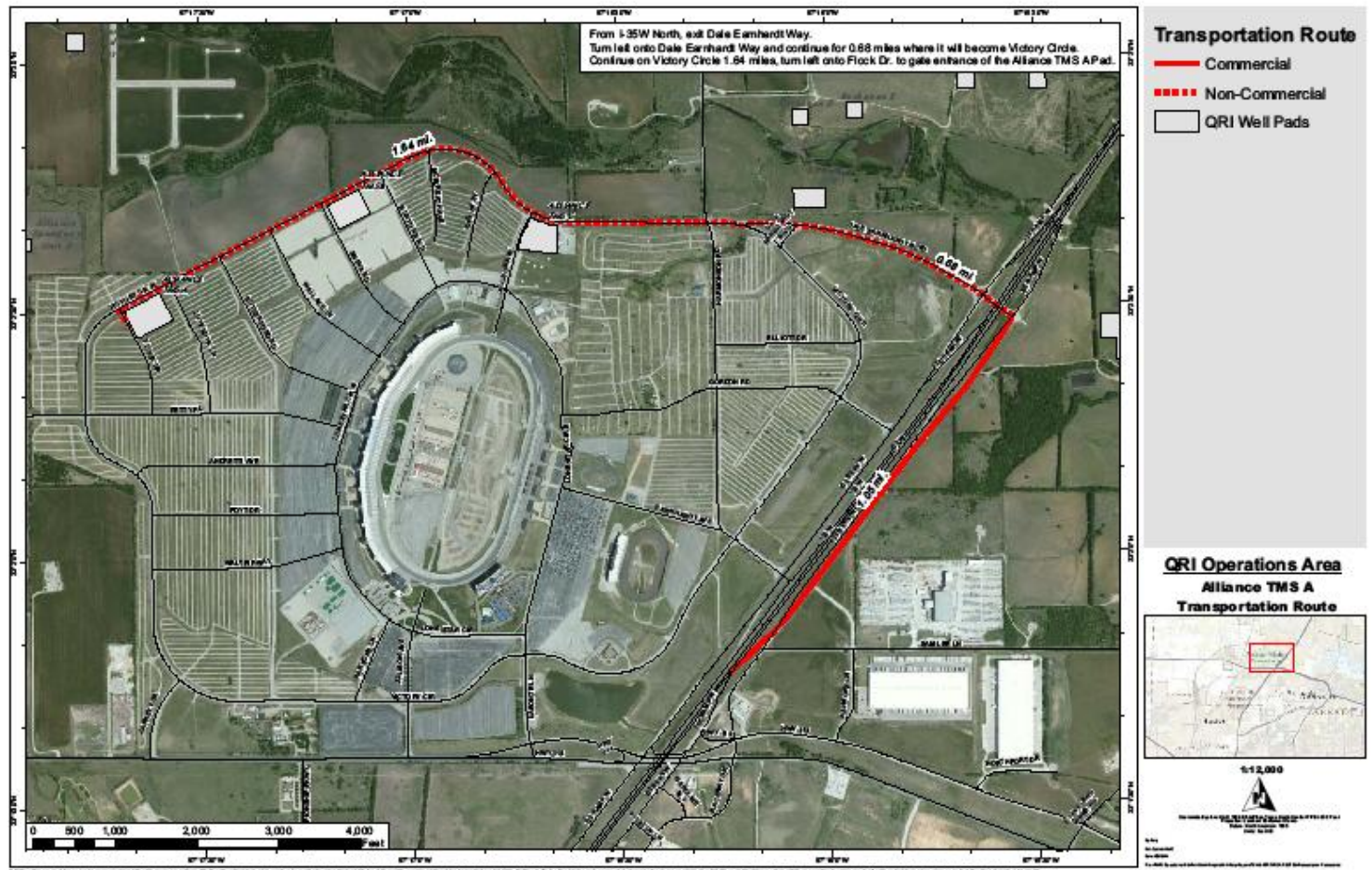
Melissa – Ok, thanks

Citizen Comments

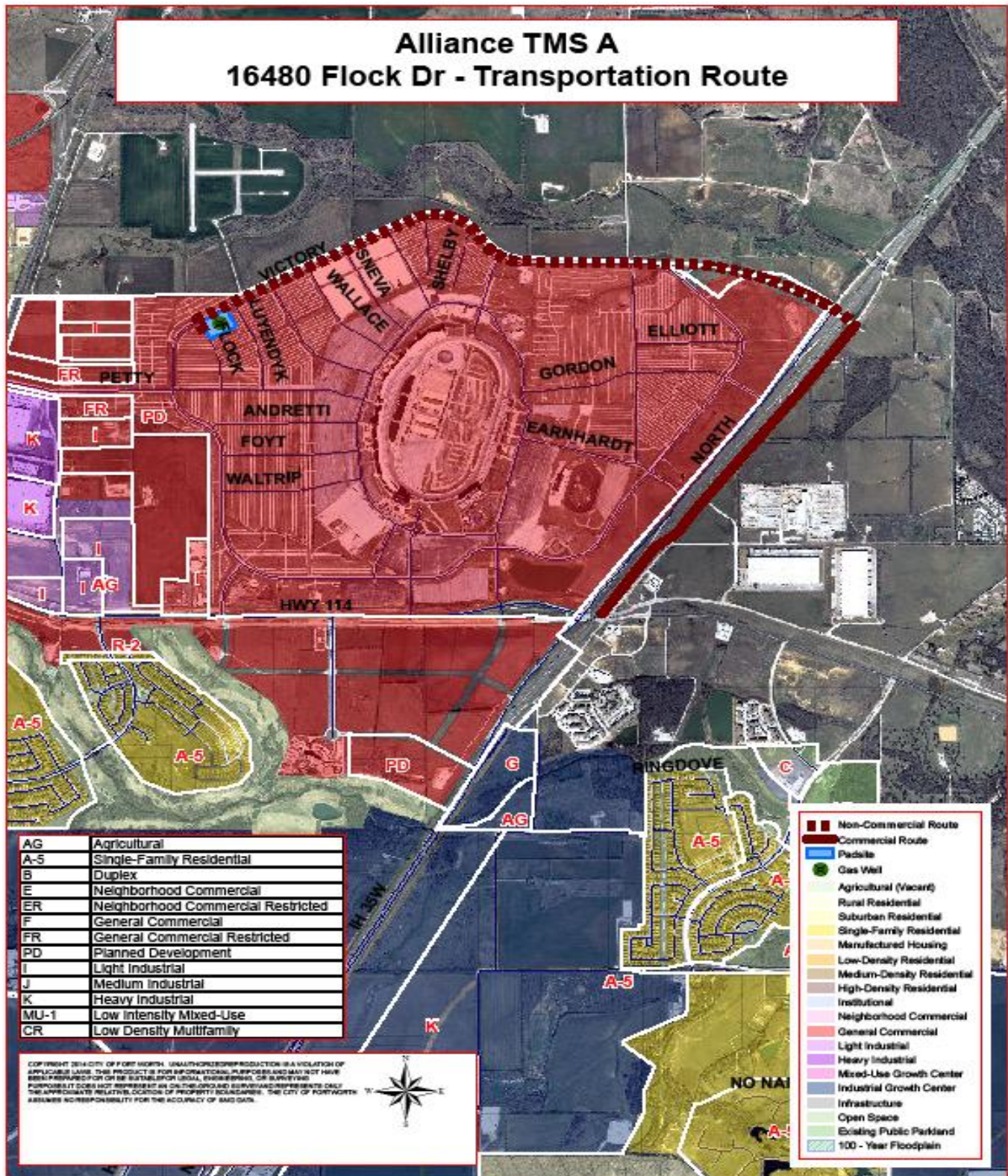
No citizens appeared to speak on this item.

Meeting adjourned.

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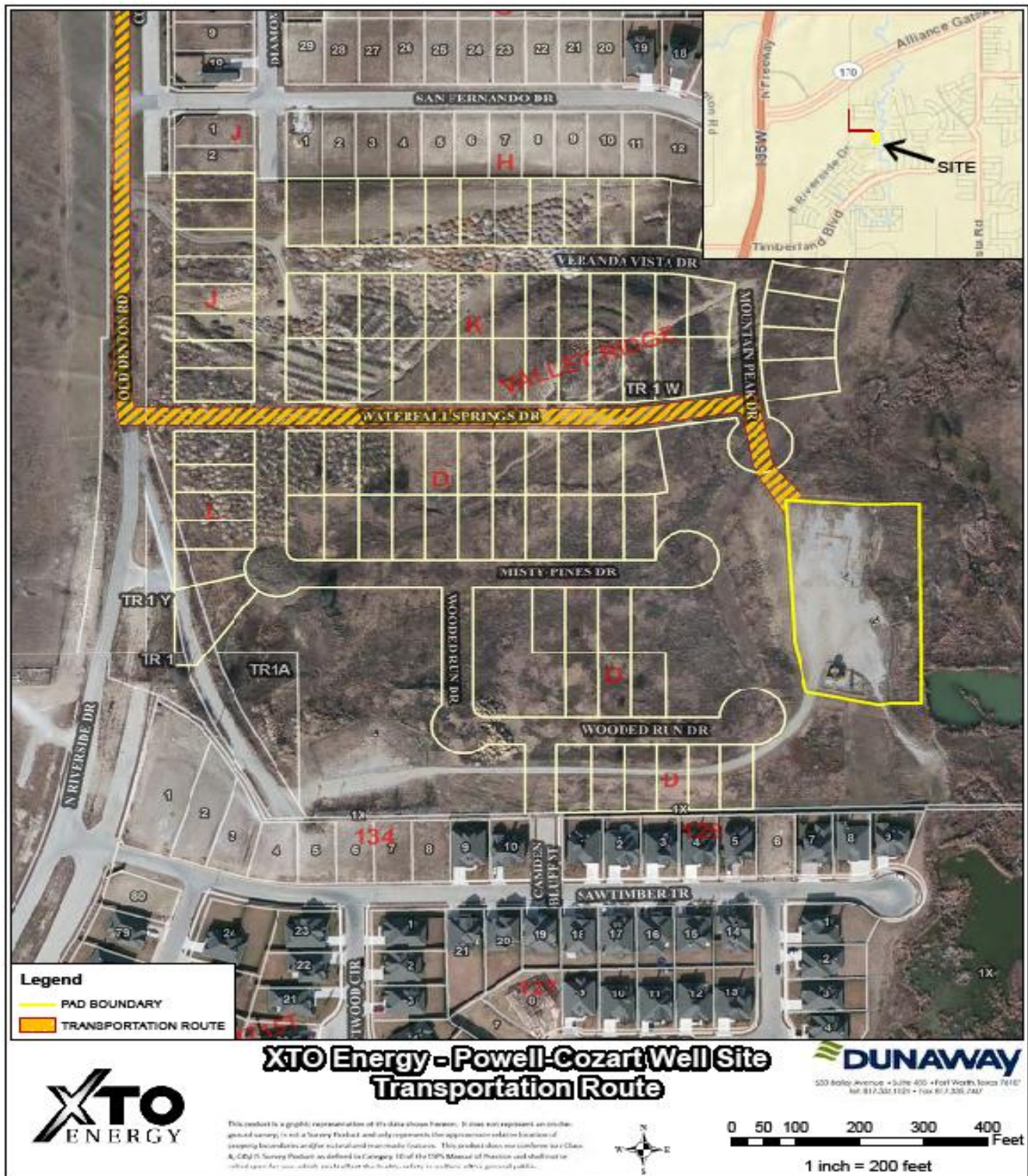


Exhibit 3

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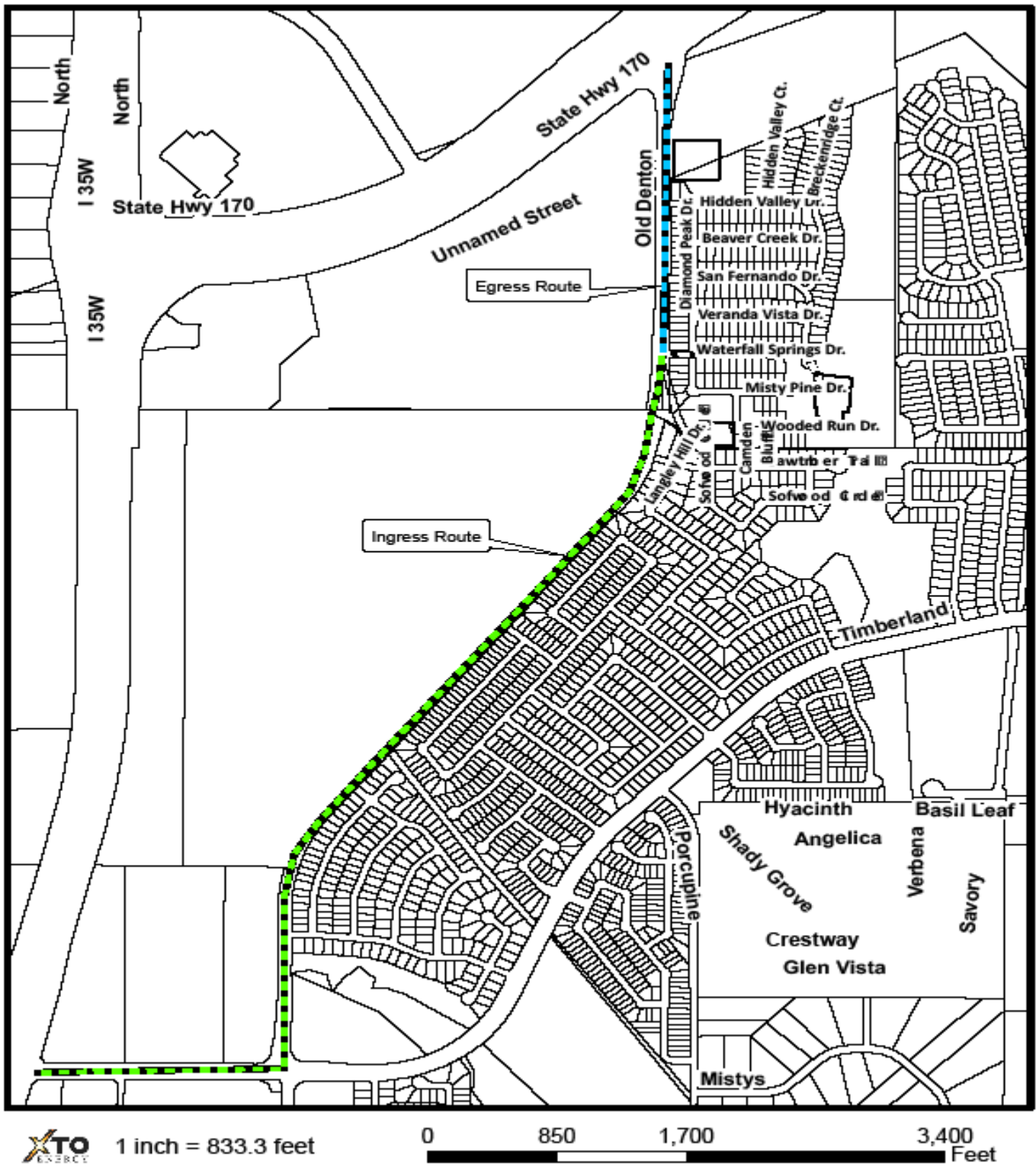


Exhibit 4

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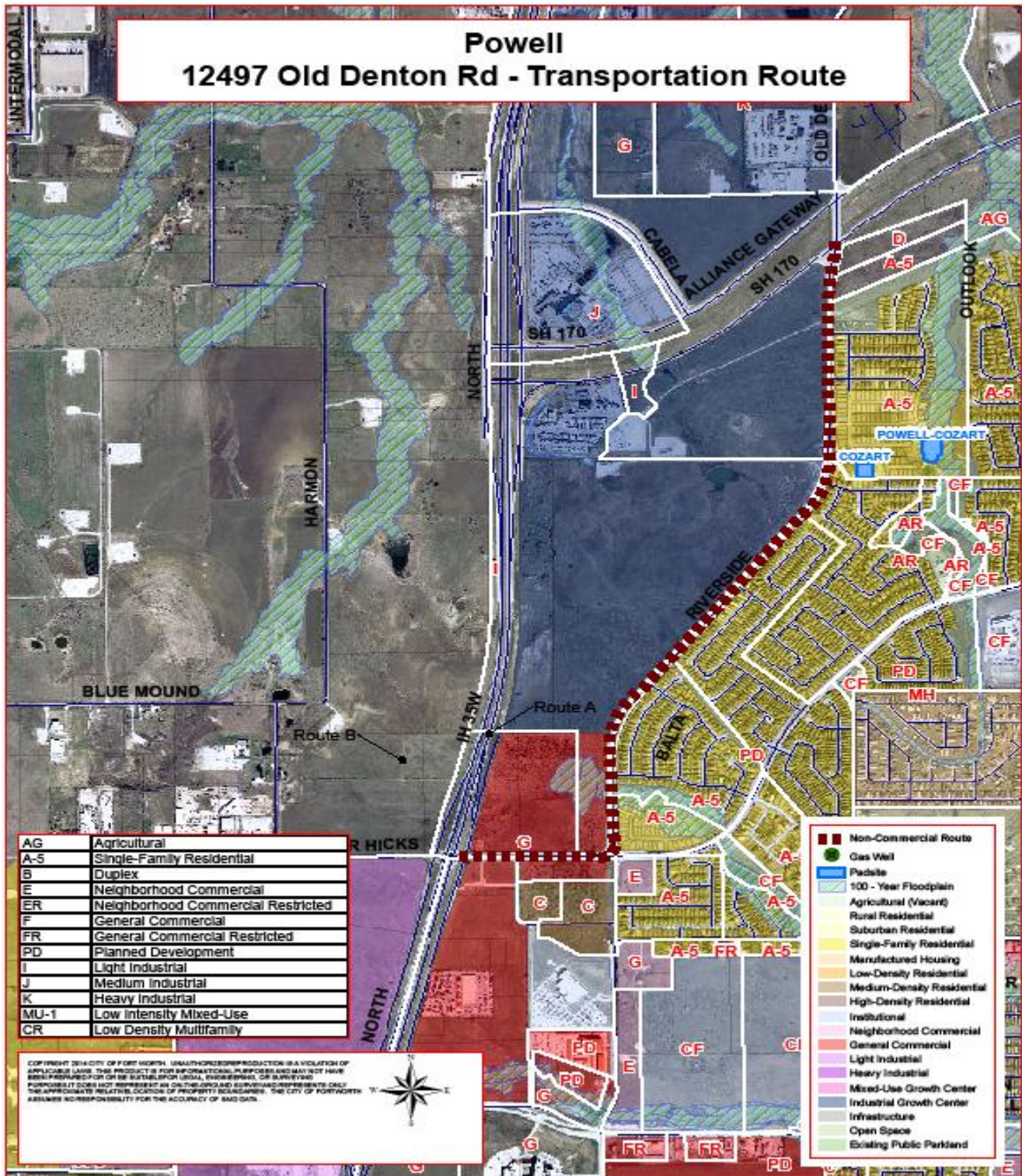


Exhibit 5

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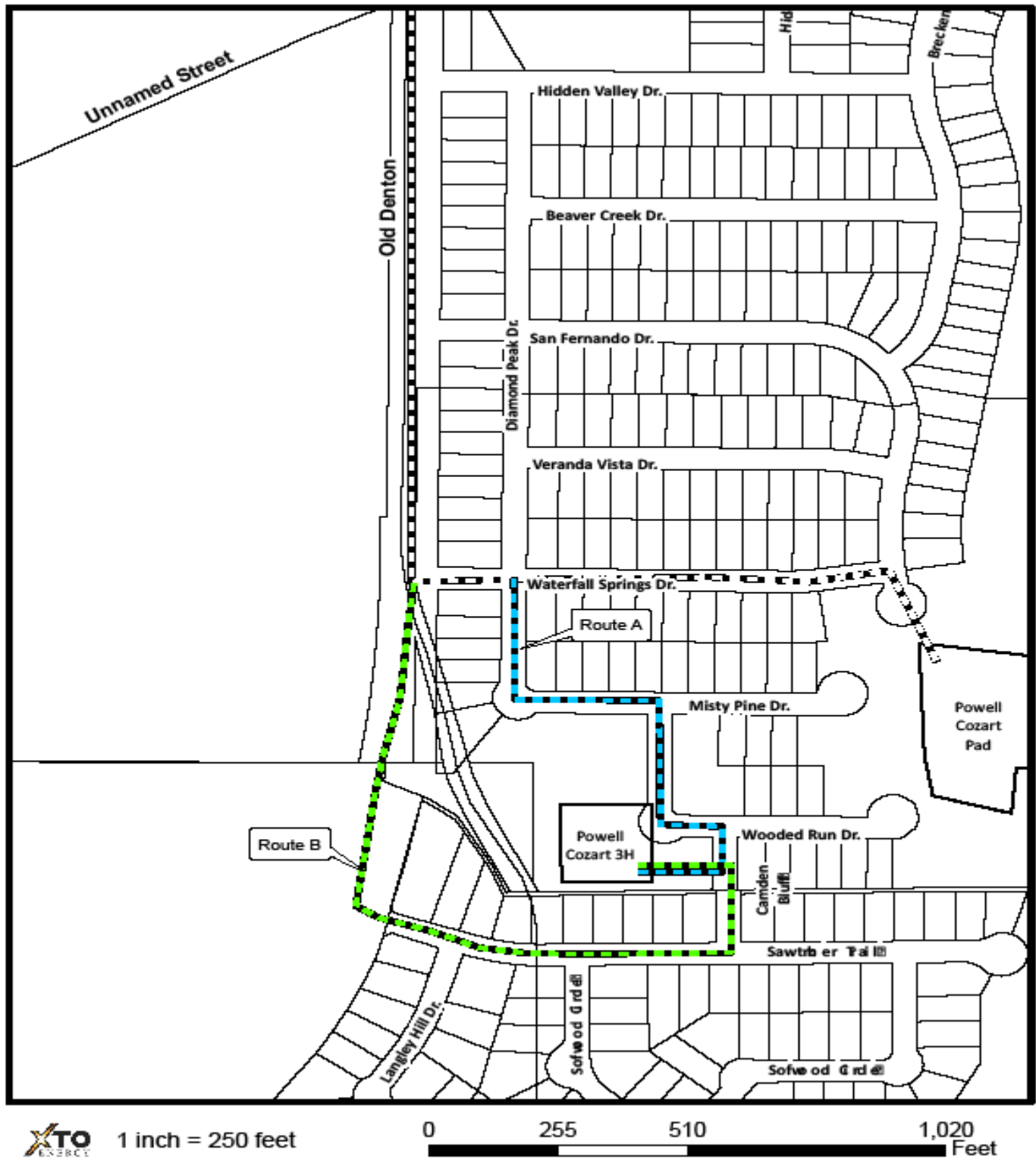


Exhibit 6

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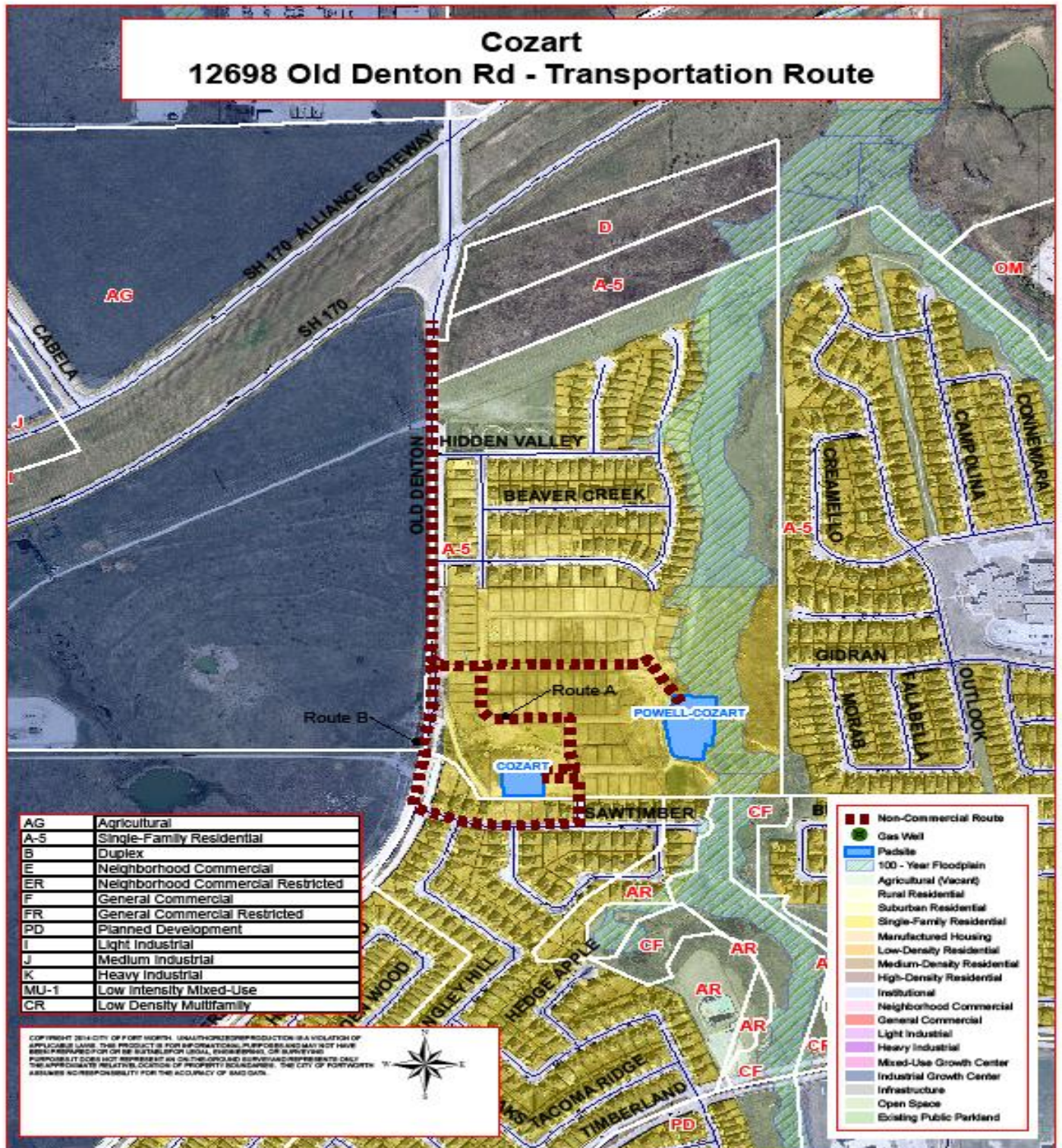


Exhibit 7